

**IN THE UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT**

TIKTOK INC.,

and

BYTEDANCE LTD.,

Petitioners,

v.

MERRICK B. GARLAND, in his official
Capacity as United States Attorney
General,*Respondent.*
No. 24-1113
(consolidated with
Nos. 24-1130,
24-1183)

**DECLARATION OF BLAKE CHANDLEE IN SUPPORT OF
PETITIONERS' EMERGENCY MOTION FOR INJUNCTION**

1. I am the President of Global Business Solutions for TikTok, a role I have served in since April 2019. As the President of Global Business Solutions, my responsibilities include overseeing the team responsible for managing TikTok's commercial partnerships, including our relationships with advertisers, and related policy issues. In addition, as a TikTok senior executive for over five years, I have become

broadly familiar with our operations and policies across a range of other areas, including our engineering and platform operations. For clarity, references in this declaration to “TikTok Inc.” are to the specific U.S. corporate entity that is a Petitioner in this lawsuit, and references to “TikTok” are to the online platform.

2. The purpose of this declaration is to elaborate on the irreparable harms to our business and brand from even a temporary shutdown of TikTok in the United States as previously discussed in paragraphs 50-52 of the Declaration of Adam Presser filed in this case on June 20, 2024.

3. TikTok has more than 170 million monthly users in the United States and more than a billion users worldwide. The foundation of our business is to attract creators and users to our platform, which in turn allows us to attract advertisers, talented employees, and continued investment in our platform. Even a very short ban on the order of days or weeks would irreversibly harm TikTok’s reputation and goodwill. And a longer temporary ban on the order of several months would irreversibly harm TikTok Inc.’s ability to maintain and grow the user

base, develop content, earn advertising revenue that we can reinvest in the platform, and attract and retain business partners and employees.

I. Lost Revenue and Commercial Partnerships

4. Attracting advertising and commercial partnerships depends on the presence of users on the platform. Since even a temporary shutdown of the platform will, as discussed below, result in irreversibly losing users and content creators, and harm our reputation and goodwill, we will experience irreparable harm to our advertising and commercial partnerships, as will the many thousands of businesses who rely on TikTok to market their products.

5. We estimate that if the TikTok platform is shut down in the United States on January 19, 2025, but the prohibitions are lifted after a month, U.S. small businesses would lose more than \$1 billion in revenue,¹ almost two million creators in the United States would suffer almost \$300 million in lost earnings, and TikTok itself would lose 29%

¹ See Oxford Economics, *TikTok: Helping Grow Small- and Mid-Sized Businesses and Delivering Value for Consumers Across the United States*, at 12 (2024), available at <https://tiktokeconomicimpact.com/> (“Our modeling suggests that SMB investments in paid advertising and marketing on TikTok drove \$14.7 billion in revenue for SMBs in selected sectors in the US in 2023.”).

of our total targeted global advertising revenue for 2025. Those numbers would only increase if the shutdown extends for more than a month.

6. As of last month, there were over 7 million U.S. accounts using TikTok to do business. According to an Economic Impact Report prepared for us by Oxford Economics, small- and mid-sized businesses see TikTok as integral to their expansion plans.² 69% of these businesses say that using TikTok has led to increased sales for their business in the last year, and 39% say that access to TikTok is critical to their business's existence.³ These businesses' advertising, marketing, and organic reach on TikTok contributed \$24.2 billion, and TikTok's own operations contributed an additional \$8.5 billion, to U.S. GDP in 2023.⁴

7. TikTok also provides an extraordinarily popular online platform for e-commerce—selling physical goods online. On Black Friday, November 29, 2024, TikTok Shop hit over \$100 million in sales

² *Id.* at 5.

³ *Id.* at 7.

⁴ *Id.* at 4.

in the United States on a single day.⁵ Top selling brands included household names like Crocs and Estee Lauder, and the singer Nicki Minaj had the highest-viewed TikTok Shop Live ever, with over 172 million viewers.⁶ But many sales went to brands that first started on TikTok Shop, and one-third of all the purchases were from small- and medium-sized businesses.⁷ A temporary loss of this platform for commercial activity would irreparably harm sellers of products and the creators in this country who market them for commissions—as well as our business, which also earns revenue from those sales.

8. Apart from the lost revenue, even a temporary ban will irreversibly weaken our competitive position because advertisers and business partners who have developed relationships with other platforms will not return. Large advertisers set budgets on an annual basis and allocate that budget across the platforms on which they plan

⁵ Alexandra S. Levine, *TikTok Shop Triples Black Friday Sales, Topping \$100 million*, Bloomberg (Dec. 4, 2024), <https://www.bloomberg.com/news/articles/2024-12-04/tiktok-shop-triples-black-friday-sales-topping-100-million>.

⁶ *TikTok Shop: A Home for Inspiration this Holiday Season*, TikTok, <https://newsroom.tiktok.com/en-us/tiktok-shop-a-home-for-product-inspiration-this-holiday-season>.

⁷ *Id.*

to advertise. If advertisers conclude that TikTok will be unavailable in the United States, those advertisers will reallocate to other platforms any budget they planned to allocate to TikTok. Even if the Act's prohibitions are later struck down, it will be impossible to entirely recoup these lost opportunities.

9. A temporary shutdown of the platform will also undermine our reputation and goodwill, including harming our relationships with advertisers and business partners in the United States and around the world. Advertisers and partners are already concerned about the impact of the ban, and even a temporary shutdown will undermine our credibility in being able to deliver an audience going forward.

II. TikTok's User Base and Content Development

10. If the ban is permitted to enter into force, it would instantly deprive U.S. users and creators of access to the TikTok platform. Users and content creators tend to develop lasting brand loyalty when it comes to social media and online entertainment platforms, and if we lose these users and content creators to our competitors, even on a temporary basis, some will not return, even if the prohibitions are later lifted.

11. In addition to general brand loyalty, another reason content creators are not likely to return to TikTok following a temporary ban is the significant costs associated with changing platforms. Different platforms provide creators with different tools and incentives to create and promote videos, and use different content recommendation and promotion technologies that result in those creators reaching different audiences. If creators start creating on or move to another platform because TikTok is not available, once they have established themselves there, they will be less likely to switch, or switch back, to TikTok because of the costs of doing so.

12. Users who view (rather than create) content similarly experience costs associated with switching platforms. Once users have established themselves on another platform, with a content feed tailored to their tastes, including their favorite creators, and become familiar with the tools that allow them to engage with content or with others on the platform, they will be less likely to switch, or switch back, to TikTok.

13. While the unprecedented nature of this shutdown makes it difficult to predict how users would react, our modeling based on the

return rate of users who have previously been absent for a 30-day period indicates that a one-month shutdown would result in TikTok losing approximately one third of its daily users in the United States. A longer shutdown would result in an even greater loss of users.

14. If TikTok becomes unavailable in the United States, some users and creators *outside* the United States will also depart for other platforms. Creators abroad who want to reach U.S. audiences, and users abroad who want to follow popular U.S. creators, will shift to other platforms because U.S. users and creators will no longer be on TikTok.

15. Accordingly, even if the Act's prohibitions are later lifted, we would not be able to recover all the creators and users lost while TikTok was unavailable, because people who would have continued or started to use TikTok will have already turned to other competing platforms, such as Instagram, Facebook, or YouTube.

16. Even a short shutdown of the platform, on the order of days or weeks, will also undermine our reputation and goodwill with creators and users. Even if TikTok later becomes available, a temporary shutdown will undermine our credibility in being able to deliver content

to users and an audience to creators going forward. And the longer the shutdown, the greater damage to our reputation and goodwill.

III. Hiring and Employee Retention

17. In addition to users and advertisers, a shutdown of the platform will also irreversibly damage our ability to recruit and retain employees. As a technology business, we compete for software engineers and other talent in a highly competitive market. If TikTok is even temporarily banned, the business our current or prospective employees would support will be gone, and they are likely to accept offers from competitors. Even if the prohibitions are later lifted, it will be impossible to recruit most of them back.

IV. Shutting Down the TikTok Platform

18. Many of our hundreds of service providers in the United States help make the platform available to TikTok users around the world—not just in the United States. If those providers were to stop providing services to enable the distribution, maintenance, or updating of TikTok for users in the United States, TikTok could also become unavailable for users in many other countries.

19. Accordingly, if the prohibitions in the Act come into effect on January 19, 2025, to avoid interruption of services for tens of millions of TikTok users outside the United States, where the Act's prohibitions do not apply, we would need a period of lead time to work closely with our service providers. Conversely, if TikTok is allowed to remain available to users in the United States, we would need to work with our service providers in advance to ensure that TikTok will remain available to users in the United States.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed this day, December 8, 2024.

A handwritten signature in black ink, appearing to read 'Blake Chandlee', written over a horizontal line.

Blake Chandlee